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(D) Roman

# Federation Bank

2005 SEP -9 AM 9:42

September 6, 2005

Director John F. Carter  
FDIC San Francisco Office  
25 Jessie Station at Ecker Square  
Suite 2300  
San Francisco, CA 94105

Re: Wal-Mart ILC Application

Dear Director Carter:

I would like to ask you to deny the Utah ILC application submitted by Wal-Mart. I strongly oppose the mixing of banking and commerce. I think letting the largest retailer in the world into the banking arena is a dangerous precedent to set.

I am a community banker in Washington, Iowa (population 7,200). Fifteen years ago Wal-Mart put a store in our community. When Wal-Mart announced they were coming to our community we had three hardware stores, two men's clothing stores and three women's clothing stores. Today we have one hardware store and no men's or women's clothing stores. Wal-Mart has single handedly devastated our local retail community.

They tout themselves as good corporate citizens. In our community that would not be true. They do very little donating to local non-profits. What they do is let non-profit organizations hold bake sales and sell tickets in front of Wal-Mart and it gives the community the perception that Wal-Mart is donating money. Their employees are some of the lowest wage earners in the area and very few of the employees receive benefits.

Just this last week we discovered that Wal-Mart is wiring money overseas (to the United Kingdom). The way we discovered it was through an internet scam that one of our customers got involved in. I am sure no one at Wal-Mart is checking the OFAC, CIP or any other regulation that we must comply with. Wal-Mart is so big they just disregard all regulations or laws because they can pay the fine and it is no big deal to them.

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I cannot imagine what will happen in small communities such as ours if Wal-Mart gets into the banking business. The first item on their agenda, I am sure, will be to under cut the community bank presence in each community. This would be devastating to local merchants, farmers and consumers. Can you imagine if Wal-Mart ended up being the only bank in several small communities? Would they be receptive to a loan application from our only hardware store? Would you share all of your financial information with your competitor? If Wal-Mart Bank is the only source of credit you may not have a choice. Of course you probably wouldn't be a competitor long since Wal-Mart Bank could control your access to credit.

I urge you to consider all of the consequences of your decision and if you weigh them carefully I believe you will come to the conclusion that letting Wal-Mart into the banking business is bad business for all of us.

Yours truly,

  
Dale J. Torpey  
President & CEO